

NOTICE OF PUBLIC HEARING

Notice is hereby given that the MOUNT VERNON CITY COUNCIL will hold a public hearing on JUNE 11, 2008 at 7:00 p.m., or as soon thereafter as possible, in the multipurpose room of the Police/Court Campus, 1805 Continental Place, Mount Vernon, to take public comment on the following:

Washington State enacted new legislation (Chapter 39.102 RCW) in 2006 creating the Local Infrastructure Financing Tool ("LIFT"). In essence, the LIFT legislation authorizes a local government to create by ordinance a revenue development area ("RDA") within which certain public infrastructure improvements may be financed through the allocation of various property and excise (sales and use) taxes. The City of Mount Vernon submitted a competitive application in 2007. The City will be submitting another competitive application in 2008 for a LIFT to the State of Washington's Community Economic Revitalization Board for our Downtown and Waterfront Improvement Project. The City plans to adopt an ordinance recognizing the RDA that was established on June 20, 2007. **The City has determined that conditions within the RDA have not significantly changed within the intervening year including future impacts to low-income housing and small businesses, and that the RDA as proposed should be re-established.** By re-establishing a RDA as proposed, Mount Vernon could qualify for a state contribution of approximately \$500,000 per year for 25 years to be used for repayment of bonds issued to finance eligible public improvements within

the RDA. RDA boundaries are illustrated in the attached map. A complete legal description of the boundaries can be found in the draft RDA Ordinance on the City's website at

www.ci.mount-vernon.wa.us

Mount Vernon's Downtown and Waterfront Improvement Project is intended to provide many benefits to our downtown. The primary purpose is to protect the downtown area from flood damage up to and including the 100-year event on the Skagit River. In addition to flood protection, these benefits will include promoting a mixed-use redevelopment that will generate new jobs, providing an area for both housing and business development to occur in a manner that helps preserve the character of the downtown area. Infrastructure improvements will also include enhanced public access to the shoreline and river while maintaining the existing availability of parking. The project is further described at (www.ci.mount-vernon.wa.us) under City of Mount Vernon Downtown & Waterfront Area Master Plan.

The flood control elements are not eligible for financing under LIFT. The contemplated public improvements eligible for LIFT financing within the RDA include the promenade on the waterfront, parking facilities, open space, trails, park amenities, utilities, and pedestrian and vehicular circulation improvements, with an estimated total cost of \$25 million. Approximately \$14 million, or 56%, including State and City contributions, is estimated to be borne by the local infrastructure financing. Other resources available to finance the improvements within the RDA, in-

clude the City of Mount Vernon General Fund property tax and sales tax, real estate excise tax funds, federal and state appropriated funds, federal and state grant programs and other resources as they are secured.

The estimated period during which local infrastructure financing is contemplated to be used is 25 years, commencing on July 1, 2011 and concluding in 2035.

Per requirements set forth in RCW 39.102.080, the City of Mount Vernon has estimated the impact the public improvements will have on small businesses and low income housing units within the RDA and has developed a mitigation plan as a result of the findings. The detailed analysis and mitigation plans are located at www.ci.mount-vernon.wa.us.

The City of Mount Vernon's housing inventory indicates that there are 179 housing units in the RDA. Of those, 127 are multifamily units and 52 are single family units. Of the 127 multifamily units, 93 are identified as low income. Low income housing units are vulnerable due either to demolition or replacement of the units or to increases in rents or prices to levels that exceed income based limits. 38 multi-family units are owned by the Skagit County Housing Authority, and are likely to continue as low income units. 48 multifamily units are located south of Snoqualmie Street, a predominately residential area, isolated from the primary project improvements, and not likely to be affected in the foreseeable future. Only seven of the 93 identified low income multifamily units are likely to be impacted by projects within the RDA due to loss or

conversion.

Based on the City's analysis, it is reasonable to assume most businesses will be positively impacted by the creation of the RDA. Although the overall impact is expected to be positive, some businesses may be at risk for displacement from the RDA. Of the 261 businesses located within the RDA, 256 have been identified as small businesses. 21 small businesses located west of Main Street will be directly impacted as the City purchases riverfront properties for the project. The City will assist these businesses in finding new locations, and moving. Other businesses may be affected over time as business opportunities expand, sites are developed, buildings are improved or redeveloped, and land and building prices change. The purpose of the public improvements in the district is two-fold: to reduce the threat of flooding and costs to business; and to increase the attractiveness of the area to potential customers and clients. Most of the existing businesses in the district should experience growth in revenue opportunities in response to the second objective.

To ensure minimal impact to those small businesses that may be negatively impacted, the City is committed to providing services to small businesses, as outlined in the mitigation plan, and developing a land use plan which encourages a healthy mix of business activity within the RDA.

The following information is provided for your review and reference at www.ci.mount-vernon.wa.us. This information addresses requirements of RCW 39.102.060, 39.102.070 and

39.102.080 regarding limitations, conditions and findings.

1. Chapter 39.102 RCW, State Law administering LIFT
2. Draft Revenue Development Area (RDA) Ordinance
3. Estimated Public Improvement Projects
4. Small Business and Low Income housing impact assessment and mitigation plan

For additional information, contact Alicia Huschka at 360-336-6241 (or alicia@mountvernonwa.gov).

Anyone wishing to comment on this topic is invited to attend; or if unable to attend, to send your comments, in writing to the Mount Vernon City Council, P.O. Box 809, Mount Vernon, WA 98273.

**Published
June 1, 2008
SVH-2367**

City of



Finance

910 Cleveland Avenue
Post Office Box 809
Mount Vernon, WA 98273

Phone (360) 336-6207
City Utilities (360) 336-6218
FAX (360) 336-0633

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E-Mail: mvfinance@ci.mount-vernon.wa.us
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Mount Vernon's Downtown and Waterfront Improvement Project is intended to provide many benefits to our downtown. The primary purpose is to protect the downtown area from flood damage up to and including the 100-year event on the Skagit River. In addition to flood protection, these benefits will include promoting a mixed-use redevelopment that will generate new jobs, providing an area for both housing and business development to occur in a manner that helps preserve the character of the downtown area. Infrastructure improvements will also include enhanced public access to the shoreline and river while maintaining the existing availability of parking. The project is further described at (www.ci.mount-vernon.wa.us) under City of Mount Vernon Downtown & Waterfront Area Master Plan.

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Attachment B-1

City of Mount Vernon 2008 LIFT RDA Notification

PROPERTY OWNER NAME

MURPHY JOHN W	MARSULA REINO G
THE CORP OF CATHOLIC ARCHBISHIP	VANDERPOL LARRY G
ANGEVINE EARL F	VANDERPOL LARRY
BANK OF AMERICA	LISSE BRUCE G
MCINTOSH MARY H	LOCO LLC
PROFESSIONAL CENTER BLDG	Q & K LLC
FIDUCIAL PROPERTIES INC	CLEATOR DANIEL E
JEFFERSON TODD V	DT ENTERPRISES OF MOUNT VERNON LLC
PASEKA FRANK, CLEATOR DANIEL	BRADFORD HOLDINGS LLC
STEWART THOMAS D	PASEKA FRANK, CLEATOR DANIEL
HAGUE TODD	SKAGIT VALLEY FOOD COOP
MCGUINNESS WILLIAM H	JOHNSON HAP
FIGUEROA-MENDOZA MARIO DEL ROCIO MARIA	FORCE TIMOTHY L
MEJIA HERIBERTO	THE GATHERING
RJR PROPERTIES LLC	MILWAUKEE PARK APARTMENTS LP
WHALEN ELAINE M	SANGER WAYNE
MANNING ADAM B	DENNIS JERRY L
BRYANT SHANNON C	WISE INVESTMENT INC
SOMA MARGARET	ABACUS N VERNON LLC
CAMPBELL IDA M	LAI MARGARET
SCHLEUSNER FRED	STRICKLAND JAMES D SR
BADILLO JOSE E	SKAGIT VALLEY COLLEGE
PENIX ANGELA	FIEDLER ENTERPRISES LLC
TARBET GREGORY W	POTIN REVOCABLE TRUST
L A ANDERSON PROPERTIES LLC	BN LEASING CORP
MAGDAN PROPERTIES LLC	BABBITT PROPERTIES LLC
TJERSLAND JOHN R	BRENNIS LEROY
CAMPBELL DAVID D	SHELDROP LIMITED PARTNERS
TATE STEPHANIE A	NESS LOREN P
HAWVER RAY A	OSTROM CHRIS
COATES DAVID L	US BANK OF WA
BARBER D BRENT	JAIMES JAVIER PAHUA
SHERIN STEVE N	PICKETT INVESTMENTS LLC
SOINE ROBYN M	HOWSON ROY
ACE PROPERTIES MANAGEMENT	REO FAMILY PROPERTIES LLC
POSTHUMUS SUPORN	IVERSON MARK
PICKETT INVESTMENTS LLC	CLARK LARRY C
MOHLER DARIC	STOWE KENNETH C
MOUNT VERNON SCHOOLS #320	MINCIN KARL J
ANTONICH-COWAN LLC	GILBERT FAMILY PROPERTIES LLC
BON JOLLY ENTERPRISES LLC	REYES ERNESTO G
BACHTOLD KURTIS E	LYON ALBERT R
HOLMES CHARLES L III	THE THORNBERG ASSO LLC
SOLO PROPERTIES LLC	ADDIE DAVID M
MEJIA JOSE G	PICKERING ANTHONY B
JORGENSEN & JORGENSEN PARTNERS INC	MT VERNON GRAINERY LLC
M C I LLC	REDWOOD INVESTMENTS LLC
HOUSING AUTHORITY OF SKAGIT CO	ALFIES BUILDING LLC
LANTING CASE	STRAUSS LYNN B
WATSON BRADLEY W	GM BUILDING LLC I
WORLD MARKET LLC	PN PARTNERSHIP INV
MOVIE HOUSE ANTIQUES LLC	BROMAN STEVE
MACGREGOR DOUGLAS I	BROMAN STEVEN L
SKAGIT COUNTY	BROMAN STEVE
W & N BUILDING LLC	COMMUNITY MENTAL HEALTH SERVICES

City of Mount Vernon 2008 LIFT RDA Notification

PROPERTY OWNER NAME

ROUW INEKE
 WASHINGTON STATE HWY DEPT
 WINSER PROPERTIES
 ARNESS STEPHANIA
 MARTINEZ JUAN
 JENNY CREEK PROPERTY MGMT LLC
 CHRISTOPHERSON JOHN A
 PEREZ ALFONZO V/JOSEFINE
 HO BENNY P
 HANSEN GARY M/SUSANA Y TRUST
 GOLDSTON HERBERT J
 EKDAHL NANCY/LONEY SHIRLEY
 KIM SEE YANG
 PAPADOPULOS PETER C
 SPRINGER BRUCE C
 SPRINGER BRUCE C
 EVANS KENNETH J
 MCNAUGHTON PAMELA A
 TREASURERS FUND LLC
 4D ARMORY LLC
 SKAGIT TRANSIT
 LILLY LLC
 LEE FRED
 CAMP DARRELL
 CAMP DARRELL R
 IVERSON MARK
 C & S INVESTMENTS LLC
 HENRY THOMAS MICHAEL
 TARIO MICHAEL J
 KAMB JOHN
 KAMB JOHN G
 JOHNSON ELLIOTT W
 VAUGHN RUTH N
 MYKA LLC
 VILLAORBA LLC
 THORNBERG FAMILY TRUST
 MOE-KING PROPERTIES LLC
 MIKOLEIT GABRIEL
 LOYAL ORDER OF MOOSE NO 1640
 LONGSTRETH ROBERT P
 FURLONG BRADFORD E
 BETZ COLONEL F
 OMLID RALPH
 MINOR MICHAEL
 MINOR MICHAEL L
 LEONARD JOHN E ETAL
 KESSELRING DONALD L
 BISAGNA DONALD J
 BIRD ALLEN FREDRICK
 MOON ROBERT C
 RIVERFRONT MV LLC
 LEGACY PROPERTIES OF
 CLOSSER CLARENCE E
 SKAGIT STATE BANK

GILBERT WARREN JR
 HAYTON ROBERT
 MARTIN JOHN/JEANNE FAMILY LP
 LUVERA PAUL N JR
 STATE OF WASHINGTON DNR
 SKAGIT HOSPITALITY HOUSE
 CITY OF MOUNT VERNON
 MOUNT VERNON LIBRARY
 MOUNT VERNON VENTURES LLC
 MOUNT VERNON INVESTMENT CO
 PUGET SOUND ENERGY/ELEC
 THORENE DANIEL
 SEWARD INVESTMENTS INC
 COMMERCIAL COLD STORAGE INC
 SNOQUALMIE PARTNERS LLC
 EVERETT ROBERT M
 VERIZON NORTHWEST INC
 HALLIDAY MATTHEW T
 CLEVELAND AVE LLC
 NEWMAN HOLLY
 BROWN CARMEN
 PKC INVESTMENTS LLC
 ERSPAMER ENTERPRISES LP
 WATSON EDWARD J JR
 HOKE DUNCAN
 GRAINERY INVESTMENTS
 SEAWARD INVESTMENTS INC
 TEAMSTERS BLDG ASSC OF SK CO

TOTAL PROPERTY OWNERS: 191

Attachment B-2

City of Mount Vernon 2008 LIFT RDA Notification

BUSINESS NAME

4th Corner Network Incorporated	Compass Health
A Bail Bond Service Incorporated	Courtyard Cafe
Adara Salon & Spa	Cynthia Running LMP
Affinity West Incorporated	D & P Monitoring
Alf Christianson Seed Company	David A Welts
Alfco Incorporated	David Beninger
Alkire Law Firm LLC	David Hall
Allstate Insurance	Deborah A Johnson M Ed LMHC
Alma D Garibay	Debra Mast
Amanda Light MA	Designs by Arlene Incorporated
Amerifresh, Incorporated	Diana Lowry
Ameriprise Financial	Diane's Positive Complexions/Finelines Salon
Angels Creations Salon	Dilly Dally Antiques and Collectibles
Annette Sisson/Ams Therapy Services	Dimity O'Neil
Apex Appraisers Incorporated	Donald J Bisagna
Arbor-Pacific Forestry	Downtown Apartments
Arie Poot	Downtown Business Community
Au. Cornerstone Incorporated	Draft Pic's
AVR Audio/Video Resource	Dragonfly Limited
Awakening Therapeutic Massage	Earl F Angevine
Bank of America #353-0045104	Ears 2 U
Barbara Bull/DBA RUB	Easton's Books Incorporated
Bay Bus Ticketing Incorporated	Eccos Design LLC
Betsy Dale Poot, ARNP	Edward D Jones & Company #8838
Bikram's Yoga College of India-Mount Vernon	Elliott W Johnson Inc. PS
BMR Design and Advertising	El Mercadito Corporation DBA World Market
Bouwens Law Office	Embellish
C. Thomas Moser, Attorney	En2Grate Incorporated
Calico Creations	Evergreen Secured Investments
Calico Cupboard Of MV	Express Bail Bonds Incorporated
Camwood Counseling Services	Fire Extinguisher Service
Camwood Jewelers	Fred Lee's Barber Shop
Canine Clips LLC	Gail Raymond Smith
Carl C Epp/Camwood Counseling Service	Gary T Jones.
Carniceria Los Amigos	Gilbert & Gilbert Lawyers Incorporated P S
Cascade Glass Works Incorporated	Goddard Law Firm
Case's Ladder Incorporated	Good Health Incorporated
Cathy Louise Riddle	Good Vibes Body Art
Chaffey North LLC	Gretchen's
Chapalita Mexican Restaurant	Guy D Clements Investments
Cheryl Duffy Attorney at Law Ltd. P.S.	H L Peterson Jeweler
Choice Corp	Harold A Page Architect AIA
Christopher J Pollino Attorney	Hellen's Needlework
Christopherson Law Firm PLLC	Heritage Galleries Incorporated
Citigroup Global Markets Inc./Salomon Smith Barney	Highmark Construction Incorporated
Cleave's Realty	Holly Newman
Coffee Corner	Home Care and Yard Maintance
Collins Office Supply Incorporated	Homeward Bound
Colonel F Betz	Howson Law Office PLLC
Comas Incorporated	Hoyle Speech Language Services P.S.
Commercial Cold Storage	
Hughes Law Group PLLC	Mark H Backlund M.D.
IL Granaio	Mark's On Pine Square
Insta-Signs, LLC	Martin Commercial Fueling Incorporated

Attachment B-2

City of Mount Vernon 2008 LIFT RDA Notification

BUSINESS NAME

Jan Graham	Mary H McIntosh
Janice Cunningham	Mary Kuipers
Jennifer Clarke PHD	Mc Quarry Enterprises Incorporated
Jessica Dalke Inc./Wedding Belles	Mel Pendell's Upholstery
Joel Cunningham	Melissa McCoy
John G Kamb Jr.	Metro Building Services Corporation
John Jarolimek Jr DC Incorporated	Mexico Transfer Incorporated
John William Murphy P.S.	Michael L Lewis
Joni Zimmerman	Michael Winslow Attorney Incorporated
Judith E McCarthy	Michelle D Lambert-Attorney at Law
Julie Blazek	Miriam Zavala
Karleen Patrick ARNP	Mount Vernon Adventure Travel Incorporated
Kathie Ketcham M.A. LMFT,LMHC	Mount Vernon Chamber Of Commerce
Kenneth J Evans	Mount Vernon Red Apple Market
Ken's Hair Styling Incorporated	Mount Vernon Shoe Repair
Kern Funeral Home	Mountains North West
Kesselring Design & Interiors	Mrs. G's Hairstyling
Key Bank of Washington	My Favorite Things, Inc.
Kid's Stuff	Nature's Healing Arts
Kirby Northwest Incorporated	Nelma's Philippine Cuisine
La Mexicana Perfumes - Boutique	Nicki's Scrubs n Such
Landmark Real Estate Management LLC	Nils Larsen
Law Office of Barry M Meyers P.S.	Northwest Construction Consultants
Law Office Of Bradford E Furlong	Northwest Hair Academy
Law Office of Cawood K Bebout	NRV Ventures Incorporated PS
Law Office of Corbin T Volluz	Nutrition Resource LLC
Law Office Of David M Wall	Over 40 Fitness
Law Office of James B Dolan PLLC	Pacionis Pizzeria LLC
Law Office of John T. Burke PLLC	Paul Douhan MSW
Law Office Of Joseph Bowen P.S.	Paul N Luvera
Law Office Of Kamb & Kamb	Per Dona, Incorporated
Law Office of Mervyn C. Thompson	Performers of Puget Sound Inc./Riverbelle
Law Office Of Paula Plumer	Peterson International Music School
Law Offices of Carol L Edward & Associates P.S.	Pirkle Law Firm Incorporated P.S.
Leanne Lunsford Haywood	Powers & Costeck, PLLC
Leonard,Boudinot & Skodje Incorporated	PrimeLending, A Plains Capital Company
Libation Station	Professional Counseling Services
Lisser & Associates PLLC	Pullin's Counseling Service
Lita Luvera-Barnett	Rainier Case Management Incorporated
Liz Findley Counseling Service	Ralph Brindley
Lyon's Furniture & Sleep Center Incorporated	Red Truck Salon
M & H Contracting LLC	Rehabco Skagit Incorporated
M and MS, Incorporated	Relaxation Station
M C I LLC	Richard M Sybrandy
Marcoo Incorporated-DBA Rays Auto Parts	River & Main Merchants
Mardi Lalibere PHD, Counseling Services	Robert Wess Photography
Marianne Shapiro	Roger A Sayer
Rosemary Kamb	Vocational Options Incorporated
Rouw Insurance Agency	Washington Federal Savings & Loan
Same Ol' Grind	Washington Manor Apartments
Service Alternatives For WA	Weight Watchers North America Inc.
Service Alternatives for WA Incorporated	Wildfibers
Shand Perkins & Wall PLLC	Williams & Nulle PLLC

City of Mount Vernon 2008 LIFT RDA Notification

BUSINESS NAME

Shifa Health PLLC
Sjostrom Law Office
Skagit Business & Staffing LLC
Skagit Habitat for Humanity
Skagit Lapidary Supply
Skagit Law Group PLLC
Skagit Natural Family Medicine LLC
Skagit River Bakery and Cafe LLC
Skagit River Brewing Company
Skagit State Bank
Skagit Valley Food Co-Op
SLS Incorporated DBA Curves
Soine's Teaching Tools
Solo Properties LLC
Sound Development Group LLC
Sound Financial Planning
Strauss Jewelers
Studio Bliss
Sun Sational Hair & More
Susan P Gardner MSW CSW
Susan Radkins MA
Tario & Associates PS
Terence G Carroll Attorney
Terre- Source LLC
Thai House Restaurant
The Alley Cats' Cafe'
The Condensery Pharmacy
The Ledger
The Lunch Box
The Porterhouse
The Red Door Antique Mall
The Stamp & Coin Place
The Tattered Page LLC
The Wellman Clinic
Tokyo Stop Teriyaki #5
Touch Therapies Wellness Center
Tri-Dee Distributors Incorporated
Trumpeter Public House
Uni-Select USA/DBA Parts Plus Auto Parts
US Bank
Valley Farm Center
Valley Kids Therapy
Valley Taxi + Incorporated
Vivian Leigh White, Attorney At Law

Wind Dancer Acupuncture & Body Work
Witt Law Firm
Work Outfitters
Wycoff Insurance Agency Incorporated

TOTAL BUSINESS OWNERS: 262

City of Mount Vernon 2008 LIFT RDA Notification

MISCELLANEOUS

Joe Best	Clean Air Agency
Skagit Council of Governments	Greyhound
Tim Holloran	Carol Hayes
Postmaster-Mount Vernon Post Office	Dave Olson
Don Gordon	Kai Ottesen
Roger Howard	Skagit County Dike District 3
Skagit County Senior Services	SKAT
Monte Levaque	Skagit Valley Hospital
Katherine Lewis	Skagit County Community Action Agency
Mark Leander	Mount Vernon Farmer's Market
EDASC	Katie Junquist
Downtown Business Community	AMTRAK
Larry Hartford	Kim Kelly
Skagit Valley Tulip Festival	Tony Pickering
Jim Scott	

TOTAL MISCELLANEOUS: 29

Attachment C

City of Mount Vernon Downtown and Waterfront Area Project Project Description, Estimated Public Improvements and Costs

The City of Mount Vernon has commenced a comprehensive redevelopment plan for its historic downtown area. The goal of this planning effort is to guide the investment of public and private resources in the downtown area over the next 20 years. The City intends to create a vibrant, attractive, and safe waterfront and downtown, with enhanced public access to the shoreline and river, new and improved public amenities, and mixed-use redevelopment that will generate new jobs, providing an area for both housing and business development to occur in a manner that helps preserve the character of downtown Mount Vernon. A key component of this plan is to provide the City's downtown area with 100-year flood protection. The threat of flooding poses a major barrier to investment in the downtown area.

The following list of project elements, exclusive of the flood protection element, has been identified as part of the Downtown and Waterfront Area improvements. The costs associated with each project are preliminary estimates at this time, based on 2008 dollars and preliminary figures of measurement. The costs will be revised as the projects moves forward through the public process, approval and final design. Project implementation will depend upon public input, final design, costs, additional funding sources and the amount and pace of private investment within the Revenue Development Area.

- **Waterfront Promenade, Urban Trail and other Park Facilities:** A 25 foot pedestrian promenade along the river will be created for the length of the downtown riverfront, with expansive views of the river on one side and shops and pedestrian attractions on the other. At the north and south ends it will connect to a multi-purpose trail continuing north and south along the east side of the river. Other park amenities include a new public plaza along the riverfront, permanent public restrooms, and facilities to accommodate the farmers market.
Total estimated cost: \$7,100,000.
- **Structured Parking:** Construction of a 450 to 600 stall parking facility. The structured parking facility will replace the displaced parking along the riverfront for our downtown business community; provide parking for future downtown redevelopment; provide parking for County employees. The parking facility will be strategically located near the core of downtown, within walking distance of Skagit Station (the County's regional multi-modal station), and near County facilities.
Total estimated cost: \$14,900,000.
- **Street Improvements:** Street improvements in the master plan include a realignment of Division Street, South First Street and Freeway Drive, streetscape improvements north and south on First Street, an improved pedestrian connection between Skagit Station and downtown along Gates Street, clear and attractive pedestrian connections between the downtown riverfront and the downtown core; and an improved pedestrian walkway on the Division Street Bridge.
Total estimated cost: \$3,000,000.
- **Total Public Projects are estimated at \$25,000,000 exclusive of the flood control element.**



**City of Mount Vernon
Local Infrastructure Financing Tool**

**Addendum to April 2007 RCW 39.102.080 (Section 206) Requirements
for Identification of Small Business and Low Income Housing Impacts,
Employment Growth, and Housing Price Impacts**

**Prepared by:
City of Mount Vernon Finance Department
April 2008**

INTRODUCTION

The City of Mount Vernon intends to re-establish a Revenue Development Area (RDA) in its downtown to fund investment in infrastructure improvements. The City intends to fund improvements using the Local Infrastructure Financing Tool (LIFT). LIFT allows increased tax revenues in an RDA to be used to fund debt service. RCW 39.102.080 of the authorizing LIFT legislation requires the local government to estimate the impact of RDA formation and associated investment on small businesses and low income housing, and to identify mitigation plans. In addition, the local government must estimate net job growth and the impact of housing growth on housing price mix. The original section 206 (RCW 39.102.080) report was issued in April 2007. The boundaries of the proposed RDA remain the same as in the original report. This report addresses changes as of April 2008 in inventories, estimated impacts, mitigation plans, projected employment and projected impact on housing price mix.

SMALL BUSINESS IMPACTS

INVENTORY

An inventory of all businesses in the RDA was updated from City business license records. According to these records as of April 2008, there are 261 businesses in the RDA with 1,274 employees. These figures do not include government offices and government employees. The figures can be summarized by land use category as follows:

Summary of RDA Businesses

	Number	Employees
Retail and Related	108	493
Office Uses	139	597
Other Uses	14	184
Total	261	1,274

The number and employment of small businesses as of April 2008 is summarized as follows:

Summary of RDA Small Businesses

	Number	Employees
Retail and Related	107	393
Office Uses	137	401
Other Uses	12	29
Total	256	823

Attachment E

Only five of the 261 businesses in the proposed RDA have more than 50 employees. These businesses have 451 employees in total. The 256 small businesses have 823 employees. The average size of the small businesses is 3.2 employees.

ESTIMATED IMPACTS

As of April 2008, the parcels the City anticipates acquiring for the improvement project now include 21 businesses with approximately 48 employees. The City will assist these businesses in finding new locations, and moving.

Projected impacts of planned infrastructure improvements in the RDA on small businesses remain the same as in the April 2007 Section 206 report.

MITIGATION PLAN

The actions that the City is committed to take to lessen the impacts on small businesses remain the same as in the April 2007 Section 206 report.

LOW INCOME HOUSING

INVENTORY

The low income housing unit inventory as of April 2008 remains the same as April 2007.

PROJECTED IMPACTS

Projected impacts of planned infrastructure improvements in the RDA on low income housing units remain the same as in the April 2007 Section 206 report.

MITIGATION PLAN

The actions that the City can take to lessen the impacts on low income housing remain the same as in the April 2007 Section 206 report.

PROJECTED EMPLOYMENT

The range of potential demand estimated for planning purposes within ten years of completion of improvements as shown in the April 2007 Section 206 report remains the same with the exception of "Office" space. The projected demand for office space has been reduced to 50,000 to 60,000 square feet of professional offices. The estimate of new office jobs is correspondingly reduced to 200 - 240.

IMPACT ON HOUSING PRICE MIX

Projected impacts on the housing price mix in the RDA remain the same as in the April 2007 Section 206 report.

City of Mount Vernon Local Infrastructure Financing Tool

RCW 39.102.080 (Section 206) Requirements for Identification of Small Business and Low Income Housing Impacts, Employment Growth, and Housing Price Impacts

INTRODUCTION

The City of Mount Vernon intends to form a Revenue Development Area (RDA) in its downtown to fund investment in infrastructure improvements. The City intends to fund improvements using the Local Infrastructure Financing Tool (LIFT). LIFT allows increased tax revenues in an RDA to be used to fund debt service. The boundaries of the proposed RDA are shown in Figure 1. The authorizing legislation for LIFT includes a section (206) that requires the local government to estimate the impact of RDA formation and associated investment on small businesses and low income housing, and to identify mitigation plans. In addition, the local government must estimate net job growth and the impact of housing growth on housing price mix. This report addresses these issues for the Downtown Mount Vernon RDA., hereafter referred to as the district.

SMALL BUSINESS IMPACTS

The analysis of small business impacts includes an inventory of small businesses, an estimate of the number of jobs likely to be affected, and a mitigation plan. The State of Washington defines a small business as one with 50 or fewer employees.

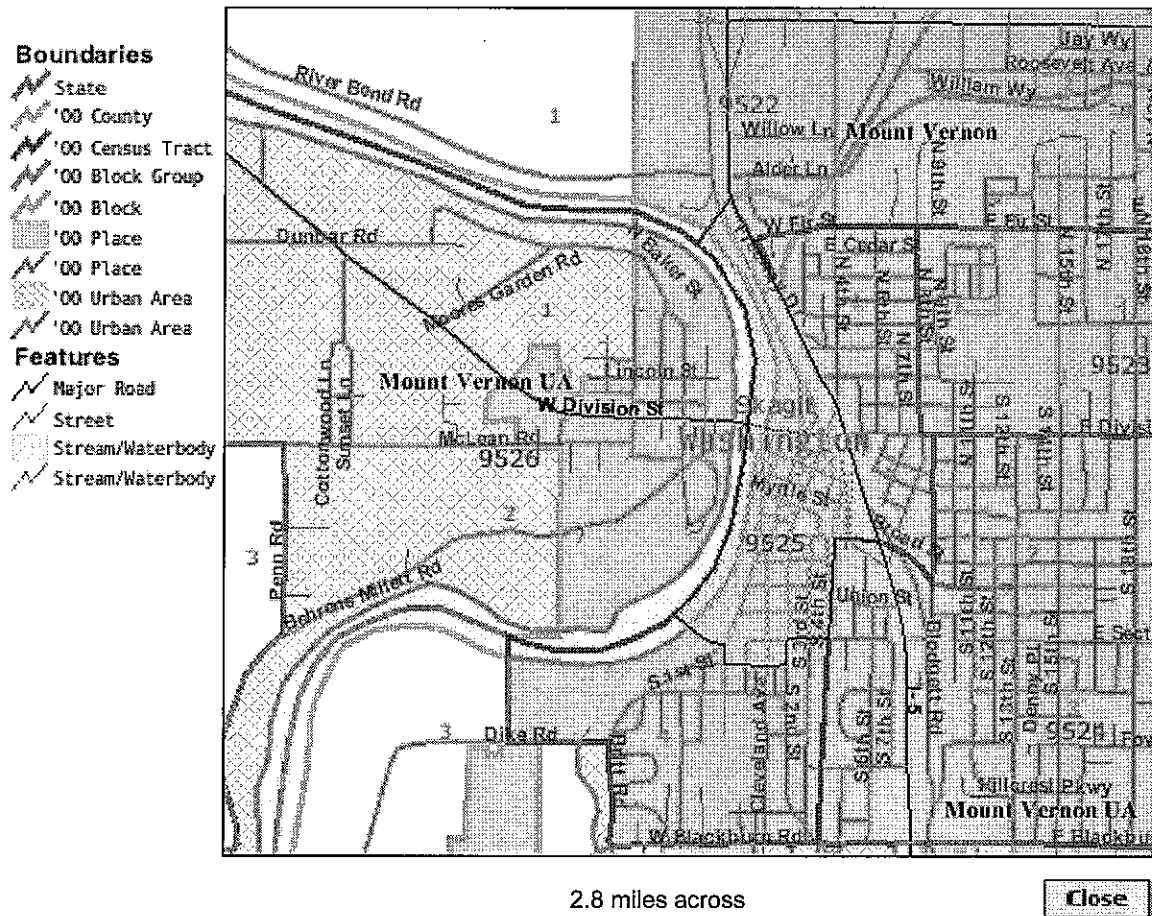
INVENTORY

An inventory of all businesses in the RDA was prepared from City business license records. According to these records, there are 280 businesses in the RDA with 1,324 employees. These figures do not include government offices and government employees. The figures can be summarized by land use category as follows:

Table 1
Summary of RDA Businesses

	Number	Employees
Retail and Related	116	520
Office Uses	146	604
Other Uses	18	200
Total	280	1,324

Figure 1
Revenue Development Area
(Block Group 3, Census Tract 9525)



The retail category includes North American Industrial Classification System (NAICS) codes for retail trade, food services, entertainment and recreation services, and personal services. The office category includes finance, insurance, and real estate; professional technical and scientific services; health care and social services; and other services except repair. The other uses include construction, manufacturing, and transportation.

As shown in the table, office uses are the largest sector in terms of both number of businesses and jobs, followed by retail. The average number of employees is 4.7 per business.

The number and employment of small businesses is summarized in the following table:

Table 2
Summary of RDA Small Businesses

	Number	Employees
Retail and Related	115	420
Office Uses	144	408
Other Uses	16	45
Total	275	873

Only five of the 280 businesses in the proposed RDA have more than 50 employees. These businesses have 451 employees in total. The 275 small businesses have 873 employees. The average size of the small businesses is 3.2 employees.

ESTIMATED IMPACTS

Several businesses may be affected directly as the City purchases riverfront properties for flood control, recreation, and traffic/utility improvements. The City anticipates acquiring six parcels for the improvement project, which include 27 businesses with approximately 52 employees. All of the directly affected businesses are small businesses. These businesses are identified by NAICS code and include restaurants, office uses, personal care, retail, and a fraternal organization. The City will assist these businesses in finding new locations, and moving.

Other businesses may be affected over time as business opportunities expand, sites are developed, buildings are improved or redeveloped, and land and building prices change. The purpose of the public improvements in the district is two-fold: to reduce the threat of flooding and associated penalties and costs to business; and to increase the attractiveness of the area to potential customers and clients. Each of the existing businesses in the district should experience growth in revenue opportunities in response to the second objective.

The only threats to small businesses are the potential for land prices and building rents to rise to levels that are no longer affordable. In theory, this shouldn't occur as both rents and prices will be set by the market according to the ability of businesses in general to pay. However, some businesses may be better able to respond to opportunities than others. The businesses that may be the most vulnerable are the smaller retail businesses and businesses in the "other uses" category. Office uses are related to government activities in many instances, and will continue to prefer downtown locations. In the case of the small retail uses, virtually all of the retail sectors currently represented are sectors that benefit from pedestrian-friendly downtown urban environments such as what is planned here.

MITIGATION PLAN

The actions that the City is committed to take to lessen the impacts on small businesses are the following.

1. Provide relocation assistance to businesses directly affected by riverfront improvements projects.
2. Plan district improvements to make downtown attractive and accessible to potential customers and clients.
3. Assist small businesses in identifying technical assistance and funding to invest to capture growth opportunities.
4. Encourage economic development for community as a whole to maximize the visibility and attractiveness of the area.

LOW INCOME HOUSING

The analysis of low income housing impacts includes an inventory of low income housing units, an estimate of the numbers of units affected, and a mitigation plan. Low income units are defined as those affordable to households with incomes at 80% or below the median level for the County.

INVENTORY

The district shares the boundaries of Block Group 3 of Census Tract 9525. The City reports that there has not been any new housing developed in the district since 2000. Accordingly, the housing statistics from the 2000 Census reflect the current inventory.

Table 2

District Housing Inventory

All Units

Single Family	52
Duplex	13
Five to nine units	26
Ten to nineteen units	17
Twenty or more units	<u>71</u>
Total	179

Source: 2000 Census, Summary Tape 3

Only 146 units were reported as occupied in 2000. Of those, only 24 were owner occupied. Only six of the 179 units were built since 1970.

Of the 127 multi-family units, 93 or 73% are identified by the City of Mount Vernon as low income.

PROJECTED IMPACTS

Low income housing units are vulnerable due either to demolition or replacement of the units or to increases in rents or prices to levels that exceed income-based limits. None of the identified low income units would be directly affected by the planned infrastructure improvements in the district. Over time, economic pressures will affect the properties differently.

- Thirty-eight multi-family units are owned by the Skagit County Housing Authority, and are likely to continue as low income units.
- Forty-eight multi-family units are located south of Snoqualmie Street. These areas are predominately residential and somewhat isolated from the primary project improvements. They are not likely to be affected in the foreseeable future.
- Seven multi-family units located in the downtown are vulnerable to loss or conversion. These apartments are on the upper floor of a commercial building.

In summary, seven of the 93 identified low income multi-family units are likely to be impacted by projects within the district.

The single family homes in the district are all located south of Kincaid Street. It is unlikely that any of these homes would be converted to other uses. It is possible that

general improvements in the downtown will make this close-in neighborhood more attractive. Single family homes currently for rent may become owner-occupied.

MITIGATION PLAN

The actions that the City can take to lessen the impacts on low income housing are the following.

1. Allocate city housing funds to projects within the district.
2. Encourage other agencies to allocate their housing funds to the district.

PROJECTED EMPLOYMENT

Employment is expected to increase in the district as business opportunities increase. A report, *City of Mount Vernon Waterfront Area and Downtown Master Plan, Summary of Market Opportunities*, prepared in November 2005, provided an initial quantification of the potential new development that could occur with a master plan and public improvements. Four uses considered in the analysis showed strong potential demand. The following range of potential demand was estimated for planning purposes within ten years of completion of improvements.

Residential	100 – 200 units upper-end apartments and condos
Retail	100,000 to 150,000 square feet of convenience and specialty
Office	100,000 to 150,000 square feet of professional offices
Lodging	75 to 150 rooms with national affiliation

Using typical employment density factors, these development ranges can be translated into an estimate on new jobs over the initial ten year period.

Retail	200 to 300 jobs
Office	400 to 600 jobs
Lodging	<u>50 to 100 jobs</u>
Total	650 to 1,000 jobs

Additional development in subsequent ten year periods should meet or exceed these estimates.

IMPACT ON HOUSING PRICE MIX

The November 2005 market analysis identified an initial demand for 100 to 200 upper end apartments and condominiums in the first ten years after completion of the improvements. Prices and rents on these units will exceed existing levels by a factor of 50% or more. Toward the latter part of the period there will be opportunities for a wider range of housing products with differing rent levels and price points. While the mitigation plan identifies actions that can preserve and expand the low income housing inventory in the district, the amount of market rate multi-family housing in the district will increase by a greater percentage amount.